

**“Amended April 27, 2005”  
MINUTES  
Highway Expansion and Extension Loan Program**

**Advisory Committee Meeting  
Executive Conference Room  
206 South 17th Avenue, Room 141  
Phoenix, Arizona  
November 8, 2004**

**Committee Members Present:**

John McGee  
Cliff Potts  
Paul Schwartz  
Lela Steffey

David Felix  
Jim Glock  
William Gray Beyer

**Members Absent:**

Victor Mendez, ADOT Director

**Others Present:**

John Fink, ADOT  
Steve Schaefer, ADOT  
Tami Ryall (Departing Member)

Val Carrola, ADOT  
Debra Brisk, ADOT Deputy Director

**Call to Order**

The meeting was called to order by John McGee at 1:32 p.m. A quorum was present.

**Recognition of Departing Members and Introduction of New Members**

Ms. Brisk presented Tami Ryall and Cliff Potts with plaques of appreciation in recognition of their service while on the Advisory Committee. Refreshments were served.

**Adoption of Minutes**

**Action:** A motion to approve the Minutes of the August 9, 2004 meeting was made by Mr. Beyer, seconded by Mr. Schwartz and passed unanimously.

**Prior Business**

It was reported that the Six Shooter Road project loan amount was disbursed.

**New Business**

Cash/Loan Status Report

Mr. Fink stated the cash balance for the HELP Fund as of September 2004 totaled approximately \$99.8 million, which reflects revenue of about \$815 million and expenditures of almost \$715 million.

Mr. Fink reviewed the September 2004 Loan Status Report and a map depicting the county locations of the various HELP loans. He stated MAG currently has \$253.0 million in loans, while PAG has \$124.2 million and the Other Thirteen Counties have \$126.5 million.

Mr. McGee explained one of the provisions of the statute requires that through December 31, 2004 50 percent of all of the value of all loans made be made in the Maricopa County region and that 25 percent of the value be made in both the PAG region and the Thirteen Other Counties region. He said with the adoption of the two loans on today's agenda they will have met that requirement.

#### 2004 HELP Annual Report

Mr. Fink provided members with draft copies of the HELP Annual Report, explaining they are required to submit a report to the Governor on December 1 of each year. He asked the members to review the draft and submit their comments no later than November 17. He noted the internal audit report previously prepared was included in the draft Annual Report.

Mr. McGee reported Arizona tied with Florida for first place in terms of the number of loans made and ranks third in loan amounts and second in disbursements to date.

#### Applications Status Report

Mr. Schaefer explained they have been holding two applications, one from Kingman and one from the City of Flagstaff, because funds have not been available in the statewide component of the program. He noted receiving 10 to 12 emails and phone calls since Proposition 400 passed asking if money will now be available in other parts of the state. He said they will have to wait to see how some of the loans are restructured before making that determination.

Mr. McGee explained the disbursement percentages only ran through 2004 because they did not know if an extension would be granted and it was assumed at that point all money would have to go into Maricopa County to meet the accelerated program. He said, given the passage of Proposition 400, they are analyzing the need for the additional loans in Maricopa County through 2007 and believe there is a potential that not all of the available funds will have to go into the Maricopa County region. He said the statute does not speak to the percentage requirements after December 31, 2004; therefore, they have discussed various alternatives and hope to make a recommendation to the Advisory Committee in January as to how future dollars should be allocated. He said if consensus on the recommendation can be reached by the Committee, they will then take the recommendation to the Board for approval.

Ms. Ryall asked about the current RAAC percentages. Mr. McGee explained they are 50 percent for the Thirteen Other Counties, 37 percentage for MAG, and 13 percent for PAG. He stated there is a possibility that MAG could borrow money from the Proposition 400 tax revenues at the same percentage as the HELP loan, thereby freeing up HELP money for use in other areas. Ms. Ryall pointed out the Proposition 400 tax revenue is also expected to fund local projects, including bus service enhancements and intersection and roadway improvements. Mr. McGee agreed there would have to be capacity to do local projects that are not eligible for HELP loans.

Mr. Potts stressed the importance of funding local projects in rural communities. He said it is exciting to think MAG might have other resources that would free up funds for use by other communities throughout the state.

### **Consideration of Loan Application**

#### Town of Marana: Thornydale Road Reconstruction Project: \$7,000,000

Mr. Schaefer reviewed the Town of Marana application, explaining it is for a reconstruction widening on Thornydale Road between Ina and Orange Grove Roads. He said the ADT is currently 31,500, but it is expected to increase to 40,000 per year by 2025. He said the bulk of the money would be repaid by 2008. He stated the application went through the Technical Committee with an average score of 87.7.

In response to a member's question, Mr. Schaefer explained they have discussed going to bid on the project in May.

**Action:** A motion to approve the Application and Loan Repayment Agreement for the Town of Marana: Thornydale Road Reconstruction Project, was made by Mr. Beyer, seconded by Mr. Glock and passed unanimously.

#### ADOT: I-10, Pinal Air Park Road to Marana Traffic Interchange Project: \$13,305,000

Mr. Schaefer reviewed the application, explaining the project extends from MP 232 to MP 240 and will construct one additional travel lane in each direction on I-10 between Pinal Air Park Road and Tangerine T.I to increase vehicular capacity. He said additional costs were identified after the application was heard by the Technical Committee, raising the total project cost to \$18.5 million. He stated the entire loan will be repaid by November 2008 and the project would be accelerated by 37 months.

Mr. McGee explained they would be loaning the department money to accelerate two construction projects in the FY 05-09 ADOT Five Year Transportation Facilities Construction Program. He said as the District Engineer started looking at the project, it was determined another \$5.2 million would be needed in program funds to complete the project. He stated the PAG region intends and has taken preliminary steps to allocate \$5 million out of their 2010 program funds for this project. He said staff felt it would be best to authorize the \$18.5 million for advancement of all three projects, conditional upon the Board approving the last \$5 million in the 2006-2010 program. He explained if, for whatever reason, PAG changed its position or the Board decided not to accept PAG's recommendation, they would have to go back to the scoping of the project and determine what can be done for the \$13 million already programmed.

Mr. Schaefer pointed out the first draw is not scheduled to occur until August 2005.

**Action:** A motion to approve the Application and Loan Repayment Agreement for the ADOT: I-10, Pinal Air Park Road to Marana Traffic Interchange Project, was made by Mr. Potts, seconded by Mr. Glock and passed unanimously.

### **Next Regular Meeting**

Mr. McGee explained the need for a December meeting is dependent upon their receiving one additional loan application from the PAG region. Mr. Schaefer said he has not yet heard anything about the application.

Mr. McGee suggested scheduling their next meeting for January or February. It was decided a December meeting, if necessary, would be conducted via teleconference.

**Call to the Public**

No comments were made.

**Adjourn**

Mr. Potts invited the Committee members to come to Payson.

Mr. McGee thanked Ms. Ryall and Mr. Potts for their service on the Committee.

Meeting adjourned at 2:44 p.m.

---

John McGee